



M 035 0026  
cc: Leslie  
April  
Lynn

November 9, 2015

Paul B. Baker, Mining Program Manager  
State of Utah, Div. of Oil Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114

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Div. of Oil, Gas & Mining

RE: Abatement of Citation for Non-Compliance Dated 10-8-2015

Dear Mr. Baker,

Last week you and I spoke briefly about the above referenced Citation for Non-Compliance. I suggested that it should have been attributed to the Point of the Mountain Quarry Operation, M/035/026, as it is located in the phase 2 area of that mine plan and not in the Sage Canyon mine area. You indicated that there was some debate in your office as to the proper assignment of the citation. As you are aware, we have bonded for the entire proposed disturbance area of 137-acres of the Sage Canyon Mass Excavation Project M/049/0071 – most of which remains undisturbed. So there is plenty of surplus bond in place to cover future disturbance at that site.

The bonded acres for the Point of the Mountain Quarry is 288-acres. We still have not disturbed the full 288-acres bonded in phase 1 of that site either. It presently stands at about 207-acres, which begs the question of the necessity of issuing a citation, as it is within the approved mine plan and there is plenty of undisturbed bonded acreage to cover it. However, I asked you if providing additional bonding to cover the 3 acre disturbance in phase 2 for which the citation was issued would abate the Citation and you said, yes. Accordingly, I am submitting the attached bond rider that increases our bond for Point of the Mountain Quarry from \$938,346.00 to 970,927.50 to facilitate the abatement of the Citation per your instructions. According to the surety calculations in the approved NOI that would cover an additional 10 acres.

Sincerely,

Brent R. Sumsion  
Property and Environmental Manager